



IMPROVING EMPLOYEE TOTAL COMPENSATION

BY TROY A. EID,
EXECUTIVE DIRECTOR, DPA

As preparations begin for the 2003 Legislative Session, incoming House Speaker Lola Spradley (R-Beulah) has stepped up to the

plate to help move Colorado toward finally providing a more competitive total compensation package for state employees. This is good news not only to the future of Colorado's state workforce, but also to the citizens who depend on us.

The current employee compensation system is outmoded and almost unbelievably rigid. While salary adjustments are typically made each year, performance pay has not yet been funded at the levels originally envisioned by the Legislature when it eliminated the anniversary ("step") seniority system.

Meanwhile, health insurance benefits for Colorado state employees have fallen 20 years behind the times and are frozen in the law. Consequently, the amount of money that the State contributes to its employees' insurance has rarely increased even when the Legislature has chosen to make annual salary adjustments. In contrast, other states typically give their state personnel directors the ability to offer a competitive salary and benefits package each year based on a single legislative appropriation. Ironically, Colorado already has such a total compensation law, but over the years it has eroded into an annual salary survey law, with insurance benefits and performance pay funded separately if at all. Rep. Spradley's proposed legislation would put the "total" back into Colorado's total prevailing compensation law.

Colorado's currently Balkanized employee compensation system leads to some unintended and increasingly unfortunate consequences. Often the right hand doesn't seem to know what the left hand is doing. Here's a simple example from earlier this year:

The Legislature spent \$72 million on additional employee benefits and salary this past session, a modern record unmatched during the last three administrations. I'm proud to have helped Governor Owens advocate for this extra money.

Yet despite this additional \$72 million, many Colorado state employees are still losing ground. Why?

In virtually every other state, the state personnel director sets benefits levels (i.e., what the State contributes to an employee's insurance) based on an annual market survey of comparable employers. We do exactly the same survey here in Colorado as required by our current total compensation law, which provides that the state personnel director shall recommend a total prevailing compensation package each year to the Legislature and the Governor. Yet this law has a loophole: The Legislature has to pass a law each year to fund the benefits portion of the package, and hasn't ever - at any time - during at least the last 20 years. Consequently, the State now pays for only about 38 percent to 45 percent (depending on the number of insured persons) of total cost of employees' insurance, compared to 75 to 80 percent for comparable employers.

If, instead, I had had the legal authority to take the same \$72 million pot and prioritize it according to the workforce's needs as the Legislature contemplated when it enacted Colorado's total compensation statute - the same legal authority that my counterparts have in other states - DPA would have spent about \$40 million extra on insurance in 2003. This would have lowered rate increases for most employees dramatically. The rest of the pot could have been spent on salary. On balance, the

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workforce would have been substantially better off, especially our lower income employees.

Instead, because I lacked that authority, I worked with you against the odds and won a more than \$55 million increase in Salary Survey plus \$9 million in performance pay. Yet employees on our insurance plan are actually losing ground because their total compensation package has such a relatively poor insurance benefit component. Why prioritize a 3.8 percent increase in salary when the average rate increase for employees' insurance is 39 percent in 2003?

I'm also concerned about the serious inequities of the current system - especially the way we are hurting our middle- and lower-income state employees.

Health insurance premium increases hurt the lowest paid workers the most. For instance, the premium for health insurance for employee + 2 goes up \$200 per month, that's roughly 8 percent of an administrative assistant's entire salary. Salary survey plus performance pay awards won't even begin to make up for that employee's loss in total compensation.

The reality is that the current employee compensation system is not helping most of our employees in a way that maximizes the \$72 million in extra money spent and meets the needs they've told me about in 53 town hall meetings with 8,000 employees. That's why I've raised the issue and plan to continue speaking out about it. And that's why it is so exciting that Rep. Spradley, along with legislators from both political parties, are listening to our fellow state employees and preparing to take action in the 2003 legislative session.

LETTERS

Dear Ms. Worthington:

On behalf of the Department of Agriculture please accept my sincere thank you to you and the State Personnel Board members for granting our request to limit retention rights. We are pleased with the four "pools" concept and believe that we will be able to manage a layoff much more successfully within those limits.

We hope we will be able to retain all our valued employees and will always work toward that goal. In these difficult budget times, however, we need to use every tool and option available to us to continue to best serve Colorado's citizens. Your support of our request is invaluable to this end.

Sincerely,

Don Ament
Commissioner of Agriculture

KUDOS

Kay Kishline, State Purchasing Director, recently received a note of thanks from Sharon Meyer from the Department of Revenue, for her "participation and insight" regarding a procurement confidentiality issue.

Anne Huth and the Central Payroll staff received a big kudo from Betty Skul of DHS' Payroll Office, for having gone to "such extraordinary trouble to fix [the DHS] biweekly payroll. As usual, you were able to step in and make everything work OK."

PERSONNEL CHANGES

New Employees:

William Quimby, DCS
Simon Onak, DCS
Rosalee Anaya, DCS
Vincent Plymell, DHR

Promotions:

Anthony Mora, DCS (From Structural Trades I to Structural Trades II)
Joseph Joyce, DoIT (IT Professional III to IT Professional IV)

Transfers:

Mary O'Shea, EO
Susan Perez, DoIT

Retiring:

James Yaniglos, DoIT
Anne Jerrard, DoIT
Mildred Klem, DHR

Leaving State Employment:

Manuel Pereyra, DCS
Shirley Rossini, DoIT
Dennis Schrader, DHR

Employees of the Month: Division of Central Services - Capitol Complex (Capitol Preparation Team)

The Division of Central Services' Capitol Preparation Team of Irdois Bouris, Daron Gil, Steve Ziemann, Gary Yeager, Anthony Gallegos, Mike Garretson, Tony Mora, Dolores Steele, Art Obregon, Jim Davis, Joseph Jiron Alice Quintana, and Jose Rios are the November Employees of the Month.

This team worked extremely hard in getting the Capitol prepared for the Governor's Official State Ceremony of Remembrance on September 11, 2002. Their hard work paid off as the Capitol looked magnificent with the American flags hanging from the building. The west steps area had been power washed and the grounds looked great even with the drought conditions.

The team worked long days and several weekend hours. It took creative thinking to figure out how to properly hang the large flag and how to keep the flowers and grass looking beautiful with a minimal amount of water.

Much of the work that this team does goes unnoticed because our tenants have come to expect that our facilities will always look impeccable. By recognizing this team for their efforts we are giving them the recognition they truly deserve.



Pictured from left to right, back row: Irdois Bouris, Daron Gil, Steve Ziemann, Troy Eid, Mike Garretson, Jim Davis, and Joseph Jiron. Front row: Art Obregon, Anthony Gallegos, Tony Mora, and Jose Rios. Not Pictured: Gary Yeager, Alice Quintana, and Dolores Steele.

Other nominees include: **Marcela von Thun**, of DOAH, who keeps the law library subscriptions and materials up to date and has also taken on responsibility for docketing and setting DDS cases; **Cristina Valencia**, **Randi Blatt**, and **Tom Bell**, the DHR core members of the violence prevention committee; the **DoIT Service Center** and **Phil Bisant** for their work on the Network Monitoring for Department of Revenue Camera Station Sites; **Julie Postlethwait** of the EO, her work on the department publications; **Donna Barr** of DFP, for an outstanding job analyzing proposed options relating to sale and leasing options involving state property.

FALL POTLUCK & CHILI COOK OFF

Downtown Costume Contest

Funniest - Iris Goodrich
Scariest - Sandra Hardesty
Original - Sally Brown
Group - Payroll staff
Ugliest - Don Fowler - Biker

Chili Contest Winners

Best Green - Collene Smith
Best Red - Katrina Baker
Hottest - Bill Taylor

Kipling

Costume Contest

Funniest - Mike Shaw
Best Halloween Theme - Lorilie McCann
Most Original - Carol Walker
Scariest - Shirley Tucker
Honorable Mention - Joe Leighty

North Campus Costume Contest

1st - David Lobato
2nd - Madalena Garcia
3rd - Teddy Abad

Chili Contest

1st - Lupita Archuleta
2nd - Kay Jenkins
3rd - tie between Neal Patton and Brad Piede

Pueblo

Costume Contest

Funniest - Kim Thielemier
Scariest - Mark Ulibarri
Most Original - Sandy Justus & Sandi Mcgoff

Costume Pictures on the next page.

IMPORTANT NOTICE FOR STATE EMPLOYEES RECEIVING STATE HEALTH BENEFITS

- There will be no self-funding assessment for 2003.
- There will be no December premiums for State health, dental, optional life or optional long-term disability.
- Open Enrollment deadline is extended for all employees through **November 18, 2002.**



SHIP OF STATE

BY PAUL FARLEY

I was walking past the State Capitol Building recently when I took the time to notice a marble bench on the northwest side. It was dedicated in 1997 to honor the men who served on the last U.S. Navy ship named in honor of our State.



The *USS Colorado* (BB-45) was launched on March 22, 1921, at Camden, New Jersey. Ruth Nicholson Melville of Denver christened the battleship by breaking a bottle

of sparkling ginger ale (remember, this was during Prohibition) made from Manitou Springs spring water on its bow (and if you're wondering how she was chosen for this honor, it might help to know that she was the daughter of Colorado's then-U.S. Senator Samuel Danford Nicholson). The ship was 624 feet long, weighed 32,600 tons, and carried nearly two thousand men. When it was commissioned, the *Colorado's* armor was the thickest in the world (18 inches), and its primary armament of four giant pairs of 16-inch, 105 ton guns, accurate to a distance of 19 miles, was unsurpassed. The ship also carried twelve 5-inch rapid-fire guns, while on the superstructure were mounted eight 3-inch anti-aircraft guns.

Over the next decade, the *Colorado* conducted patrols and training cruises, and was also used as the setting for the 1931 MGM film "Shipmates," featuring Robert Montgomery (father of Elizabeth Montgomery, who starred in the TV series *Bewitched*), opposite Dorothy Jordan. (The plot has been summarized as: "While masquerading as a wealthy oilman, a young sailor on shore leave falls in love with a beautiful young woman who turns out to be the daughter of an admiral." Well, this *was* the 1930's, after all.) The cast and crew spent five days on board and many of the ship's crew had small parts in the film.



Later, in July 1937 the *Colorado* led the search for Amelia Earhart in the South Pacific, launching sea planes and coordinating the efforts of the task force.

On December 7, 1941, the *Colorado* was at the Bremerton, Washington Navy Yard for maintenance. After receiving news of the bombing of Pearl Harbor, the *Colorado* quickly put out to sea and remained on the West Coast through the summer of 1942 amidst concerns about a possible Japanese attack on the mainland. Thus, for a



The *USS Colorado* in New York harbor in the 1930's.

time, the *Colorado* was the only battleship in service in the Pacific.

After Pearl Harbor air power became the key in naval warfare and the *Colorado's* new role became to bombard and destroy shore installations in support of amphibious assaults and ground forces. In November 1943, the *Colorado* shelled defenses on remote coral atoll of Tarawa, and in 1944 at Kwajalein and then at Eniwetok. Later that summer, the battleship pummeled installations on Saipan, Guam, and Tinian in support of American invasion forces. At Tinian, shore batteries hit the *Colorado* with almost two dozen shells, causing 240 casualties. Nonetheless, the ship continued to fire on the defenses until ground troops were able to take the island.

In November 1944, the *Colorado* was in Leyte Gulf supporting the invasion of the Philippines when it was struck by one of the many *kamikaze* aircraft that filled the skies, causing almost 100 casualties. In early December it shelled the islands of Mindoro and Luzon, and in spring 1945, the *Colorado* fired two million pounds of high explosives during the battle for Okinawa. Following the atomic bombing of Hiroshima and Nagasaki, the *Colorado* sailed to Tokyo Bay for the signing of the Japanese surrender. The battleship spent the rest of 1945 making runs to Pearl Harbor, transporting thousands of troops home. The *Colorado* participated in ten major actions during the war, cruising over 160,000 miles and firing more than 5,800 tons of shells in support of ground troops, before being decommissioned in 1947.

In 1959 the *Colorado* was dismantled and sold for scrap in Bremerton, although some traces of the great ship remain: portions of its teakwood decks can be found in walls of buildings around Seattle, including a Boeing cafeteria, a building on the campus of the University of Washington, and the Washington Athletic Club. A five-inch gun is on display at the Museum of History and Industry in Seattle, and the ship's bell and wheel are at the University of Colorado Heritage Center in Boulder.

Background information from the "Dictionary of American Naval Fighting Ships," published by the Naval Historical Center, Washington, D.C.